

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 16-843-GW(KSx)	Date	March 4, 2016
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Title	<i>Crispin Luna v. Residential Credit Solutions, Inc., et al.</i>
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Present: The Honorable	GEORGE H. WU, UNITED STATES DISTRICT JUDGE
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Javier Gonzalez	None Present	
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Deputy Clerk	Court Reporter / Recorder	Tape No.
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Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

None Present

None Present

PROCEEDINGS (IN CHAMBERS): ORDER TO SHOW CAUSE RE SUBJECT MATTER JURISDICTION

Residential Credit Solutions, Inc. (“Residential”) removed this action to this Court on February 5, 2016, asserting the existence of complete diversity. Residential is indeed diverse from plaintiff Crispin Luna, but its co-defendant Quality Loan Service Corp. (“Quality”) is not. *See* Notice of Removal at 2:7-3:22. Residential attempts to avoid this fact by asserting that Quality’s citizenship is irrelevant because it filed a declaration of non-monetary status in state court, pursuant to California Civil Code § 2924I on January 9, 2016. *See* Notice of Removal, Exh. 7.

A federal district court is always obliged to consider its own subject matter jurisdiction. *See Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994); *Allstate Ins. Co. v. Hughes*, 358 F.3d 1089, 1093 (9th Cir. 2003). This Court has traditionally taken the approach that use of the state-law non-monetary status procedure does not impact diversity of citizenship considerations. *See, e.g., Sanchez v. Wells Fargo Bank, N.A.*, CV 11-6255-GW-JEM, Docket Nos. 13, 17; *Alonso v. Bank of N.Y. Mellon*, CV 09-6279 GW-JEM, Docket No. 15. Residential is hereby ordered to show cause why this case should not be dismissed for lack of subject matter jurisdiction by citing the Court to controlling precedent – *i.e.*, a Supreme Court or published Ninth Circuit decision – indicating that this Court’s approach is incorrect. If it fails to do so, this matter will be remanded to state court.

Residential has until 12:00 p.m. on Friday, March 11, to respond to this Order, in a brief of no more than 5 pages.

Initials of Preparer JG